

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 FEA-01 SSO-00 NSCE-00 USIE-00 INRE-00

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00

PA-01 PRS-01 FTC-01 /083 W

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FM AMEMBASSY BANGUI

TO SECSTATE WASHDC NIACT IMMEDIATE 6061

INFO AMCONSUL DOUALA

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E.O. 11652: N/A

TAGS: ENIV, ETDR, CT, US

SUBJ: EXPROPRIATION OF MOBIL TEXACO INTERESTS IN CAR

REF: STATE 200903 AND STATE 202831

1. UPON ITS RECEIPT EMBASSY CONVEYED FORMALLY TO GOCAR CONCERNS OUTLINED STATE 200903 AND REFEREED CAR OFFICIALS TO EMBASSY'S MOST PREVIOUS DEMARCHE OF JUNE 13.

2. THERE IS FOLLOWING PROGRESS TO REPORT ON GOCAR EFFORTS TO RESOLVE COMPENSATION CLAIMS ARISING FROM TEXACO-MOBILE EXPROPRIATIONS IN MAY, 1974.

A. DURING COURSE OF VISIT TO BANGUI, AUGUST 19-22, GEORGES MOLLARD-CHAUMETTE, DIRECTOR OF MOBIL OIL DOUALA WITH RESPONSIBILITY FOR MOBIL'S ACTIVITIES IN CAR, HELD DISCUSSIONS ON STATUS OF MOBIL'S CLAIMS WITH CENTRA-HYDRO DIRECTOR PAUL BELLET
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WHO STATED THAT CLAIMS WOULD BE RESOLVED UNDER AEGIS OF JOINT

COMMISSION PRESENTLY IN FORMATION. MOBIL REP EXPRESSED OPINION THAT ALTHOUGH SEVERE FINANCIAL CONDITIONS WOULD PROBABLY PRECLUDE SWIFT GOCAR ACTION AT PRESENT THE GOCAR NONETHELESS HAS SINCERE INTENTION TO MEET ITS OBLIGATIONS. MOLLARD-CHAUMETTE'S PRINCIPAL TASK WAS TO NEGOTIATE A CONTRACT FOR SUPPLY OF LUBRICANTS TO CENTRA-HYDRO, THE CAR'S STATE-OWNED MONOPOLY OIL COMPANY WHICH IS PARTIALLY COMPOSED OF ASSETS NATIONALIZED FROM MOBIL. MOLLARD-CHAUMETTE SECURED THE CONTRACT AND MOBIL WILL BEGIN SUPPLYING BADLY NEEDED LUBRICANTS IMMEDIATELY. HE WAS STRONGLY DISINCLINED TO LINK AT THIS TIME NEW COMMERCIAL ARRANGEMENTS SUCH AS LUBE CONTRACT WITH COMPENSATION ISSUE. HE SAID MOBIL'S EXPERIENCE HAD BEEN THAT SUPPLY, MANAGEMENT AND TECHNICAL ASSISTANCE CONTRACTS ARE AS PROFITABLE AS CAPITAL HEAVY OPERATIONS BASED ON FIXED ASSETS.

B. SECOND DEVELOPMENT IS PUBLIC PRONOUNCEMENT AUGUST 22 BY CAR PRESIDENT BOKASSA UPON HIS RETURN FROM FRANCE THAT HENCEFORTH THERE WOULD BE QUOTE NO MORE NATIONALIZATIONS UNQUOTE. IN SAME SPEECH, BOKASSA ANNOUNCED THAT HE WAS IMMEDIATELY RETURNING TO AGENCE FRANCE PRESS ALL ITS ASSETS INCLUDING MULTI-STORY BUILDING AND MATERIALS WHICH GOCAR HAD SEIZED IN MAY, 1974, AND THAT AFP WAS WELCOME TO RETURN TO CAR.

3. IT IS OUR JUDGMENT THAT GIVEN THESE POSITIVE DEVELOPMENTS COUPLED WITH THE DISARRAY OF GOCAR FINANCES WHICH SPEAK AGAINST LIKELIHOOD OF GOCAR ABILITY TO COMPENSATE THAT DECISION TO EXCLUDE CAR AT THIS JUNCTURE FROM LIST OF ELIGIBLE COUNTRIES WOULD NEITHER BE JUSTIFIED NOR IN OUR INTEREST. EMBOFF HAS HAD CONSIDERABLE EXPOSURE TO BOKASSA DURING VISIT CONCLUDED AUGUST 27 TO PRESIDENTIAL LODGE AT N'DELE AND WAS LEFT WITH IMPRESSION THAT ALTHOUGH UNDOUBTEDLY STILL CRITICAL OF US AID LEVELS, BOKASSA DETERMINED BE FRIEND. EMBASSY IN FULL ACCORD WITH US POLICY CONCERNING NATIONALIZATION AS WELL AS INTENT OF PROVISIONS FOR GSP UNDER 1974 TRADE ACT. HOWEVER, DENIAL OF GSP NOW WOULD BE TAKEN AS PERSONAL AFFRONT WHEREAS GIVEN TIME, NEW MOBIL ARRANGEMENT MIGHT LEAD TO SERIOUS AND PRODUCTIVE COMPENSATION, NEGOTIATIONS OR RESTORATION OF PROPERTY AS IN CASE OF AFP. RATHER THAN FACILITATE RESOLUTION OF CLAIMS ISSUE, EXCLUSION IN OUR VIEW WOULD MAKE MATTERS MORE DIFFICULT.

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4. EMBASSY WILL CONTINUE TO MONITOR SITUATION CLOSELY AS IN PAST. HOWEVER, EMBASSY FEELS THAT TO PUSH GOCAR FURTHER AT THE MOMENT COULD ONLY COMPLICATE MATTERS AND HOPE THAT DEPARTMENT WILL AGREE POSTPONE DECISION TO EXCLUDE CAR UNDER GSP PROVISIONS ON BASIS OF PROGRESS REPORTED PARA 2. DEPARTMENT FROM ITS END MAY HOWEVER WISH AT ITS DISCRETION TO REVIEW ISSUE WITH FONMIN FRANCK AT UNGA OR WITH FINMIN

G'BOKOU AT IMF/IBRD MEETING.
SWING

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